

For MINO approval: Media Call: Insurance role in emergency order / Insurance Journal / Howard

From: Media / Média (FIN) <mediare@fin.gc.ca>
To: Alex Lawrence [Personal Info.], "Bartsoff, Jesse" <jesse.bartsoff@fin.gc.ca>, "Eritou, Jessica" <jessica.eritou@fin.gc.ca>, Farees Nathoo [Personal Info.], "Haidar, Nasser" <nasser.haidar@fin.gc.ca>, "Kropman, Alexann" <alexann.kropman@fin.gc.ca>, "McNeill, Cameron" <cameron.mcneill@fin.gc.ca>, "Vaupshas, Adrienne" <adrienne.vaupshas@fin.gc.ca>
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Date: Wed, 23 Feb 2022 20:49:41 +0000

Adrienne, for approval, here are the responses to the enquiry from the Insurance Journal.

QUESTIONS and PROPOSED RESPONSES

I'm trying to get to the bottom of the insurance section of the emergency order.

Q1. Does the emergency order require that the trucks' insurance be cancelled or pulled?

Only vehicles that are being used in an assembly prohibited under the *Emergency Measures Regulation* are subject to the cessation of insurance coverage. Once the vehicle is no longer being used in such an assembly, it would not be subject to the Order.

Q2. How does this work?

On a continuing basis, insurance companies must determine if they are insuring a vehicle that is being used in a prohibited public assembly.

Additionally, a Government of Canada, provincial or territorial institution, including law enforcement, may disclose information to an insurer, if it is satisfied that the disclosure will contribute to the application of the Order.

Q3 Are you involving insurers?

The Government of Canada is engaged with insurers and their associations on the application of the Order.

Q4. The new rules require that banks and insurers must determine whether they're in possession or control of property of a person attending an illegal protest. So the insurers are expected to discover the identity of the protestors?

On a continuing basis, insurance companies and other financial service providers have to determine if they have any business with persons involved in the unlawful activities.

The Order includes the ability for the RCMP and other provincial and territorial law enforcement agencies, together with other federal, provincial, or territorial institution of the Government of Canada, to share information with banks and other financial services providers if they are satisfied that it will help with implementation of the Order.

The information shared could include the names of persons and entities that are involved in the blockades. The RCMP and law enforcement agencies will continue to share information in accordance with their investigation processes.

Q5. Who will enforce this?

Q6. Will insurers be penalized for failure to track these policyholders? How will the government be able to tell if insurers have complied?

Insurance companies and other financial service providers are responsible for implementing the measures in the Order. They are working collaboratively with law enforcement. Additionally, the Government of Canada is engaged with insurers and their associations on the application of the Order.

Q7. If a policyholder has been found to have violated the order, will it have a permanent effect on the ability to buy insurance, i.e., will the coverage be cancelled?

The Order is temporary and targeted and only applies when a vehicle is being used in an assembly prohibited by the *Emergency Measures Regulations*.

Q8. Will this be required of U.S. and other foreign insurers as well as Canadian insurers? I assume it's also required of U.S. insurers, given the fact that this clause is included in the order: (c) foreign companies, as defined in subsection 2(1) of the Insurance Companies Act, in respect of their insurance business in Canada.

The Order lists what types of entities have duties to comply with the Order, and this list includes 'foreign companies', as defined in the *Insurance Companies Act*, in respect of their insurance business in Canada.

Q9. Will you be penalizing Canadian and U.S.-based truckers with fines in addition to suspending their insurance? In other words, does the order threaten other penalties besides losing insurance and funds in crowdsourcing accounts?

The Order provides that financial service providers must cease dealing with anyone that is engaged in an activity prohibited under the *Emergency Measures Regulations* and does not, itself, impose any fines or penalties. However, persons who have participated in the prohibited activities may be charged for other offences that they may have committed.

Q10. The Insurance Bureau of Canada says: *Given this emergency order, there will be significant insurance implications if a policyholder is found to be acting in an unlawful manner and operating a motor vehicle with suspended insurance. The owner/operators of vehicles used in these unlawful activities could have unlimited personal financial liability for claims that may arise from their use and operation. Why would the liability be unlimited and is this for claims that could occur during the protests, or at any time? (I have been in touch with the IBC but they weren't able to answer as yet).*

The measures in the Order cease to apply in respect of a person's property, transactions and account when they are no longer engaged in any of the activities prohibited under the *Emergency Measures Regulations*. In other words, financial entities will be able to resume their dealings with persons that have stopped participating in the unlawful activities. In the case of vehicles, once vehicles are no longer being used in the prohibited assemblies, insurance coverage can resume.

APPROVED BY:

FSP: Bilodeau (DG, FID), Jacques (ADM)

C&C: S Doucet

Anna

Personal Info.

From: Media / Média (FIN) <mediare@fin.gc.ca>
Sent: Friday, February 18, 2022 11:58 AM
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Subject: RE: Heads up: Media Call: Insurance role in emergency order / Insurance Journal / Howard

Hi Adrienne,

More questions below from this reporter. Revised deadline as well.

New content in red.
Benoit

REPORTER'S DEADLINE: Friday, February 23, EOD

CALL RECEIVED: February 17, 3:30pm (via PCO – 11:04am)

REPORTER: Lisa Howard, Insurance Journal (UK)

CONTACT: T: <Personal Info. [REDACTED]> / M: <Personal Info. [REDACTED]> / lhoward@wellsmedia.com

QUESTIONS:

I'm trying to get to the bottom of the insurance section of the emergency order.

Q1. Does the emergency order require that the trucks' insurance be cancelled or pulled?

Q2. How does this work?

Q3 Are you involving insurers?

ADDITIONAL QUESTION

Q4. The new rules require that banks and insurers must determine whether they're in possession or control of property of a person attending an illegal protest. So the insurers are expected to discover the identity of the protestors?

Q5. Who will enforce this?

Q6. Will insurers be penalized for failure to track these policyholders? How will the government be able to tell if insurers have complied?

Q7. If a policyholder has been found to have violated the order, will it have a permanent effect on the ability to buy insurance, i.e., will the coverage be cancelled?

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Benoit Mayrand

Media Relations | Relations avec les médias
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Sent: 17 février 2022 15:58

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Subject: Heads up: Media Call: Insurance role in emergency order / Insurance Journal / Howard

Good afternoon,

We have received the following media call specific to the insurance role in the emergency order. It is for an UK industry publication.

I will circle back once the reporter's deadline has been defined.

Thank you,
Benoit

REPORTER'S DEADLINE: TBD

CALL RECEIVED: February 17, 3:30pm (via PCO – 11:04am)

REPORTER: Lisa Howard, Insurance Journal (UK)

CONTACT: T: **Personal Info.** / M: **Personal Info.** / lhoward@wellsmedia.com

QUESTIONS:

I'm trying to get to the bottom of the insurance section of the emergency order.

- * Does the emergency order require that the trucks' insurance be cancelled or pulled?
- * How does this work?
- * Are you involving insurers?

PROPOSED RESPONSE:

APPROVED BY:

FSP:

C&C:

Benoit Mayrand

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